## ITEM 3

## PROGRESS REPORTS

These are status reports which will be submitted at the Board meeting in short verbal briefings by the PSB Staff members.

Addenda: At 1100 o'clock this morning to a call from the Psychological INDICATED Strategy Board, that the Deputy Secretary of Defense might at the meeting raise a question in respect to the intent and legality of expenditure of funds from Kirsten Amendment for the Escapee Program, You will recall that his previous reservation in the 20 December meeting of the PSB applied strictly to the advisability of transfer of funds at the sacrifice of military end items. would hope that you and Mr. Webb reaffirm that the language of the Kirsten Amendment is general enough to permit this type of activity.

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The clause in question is quoted herewith:

"In order to support the freedom of Europe there are hereby. authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this Act, a sum not to exceed of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the communist dominated or communist occupied areas of Germany and Austria, and any other country absorbed by the Soviet Union either to form such persons into 0 0 8 7 0 1 0 0 reaty Creenisation or for other nurposes." elements of the military forces supporting the North Atlantic

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Mr. Dulles suggests that Kirsten funds be utilized for the Escapee Program to insure its early implementation.

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